Company Registration No. 05100620

FAIR ISAAC UK GROUP LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2018

FAIR ISAAC UK GROUP LIMITED

ANNUAL REPORTS AND FINANCIAL STATEMENTS 2018

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FAIR ISAAC UK GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2018

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Pung
M Scadina
D Sanderson
R Deal

COMPANY SECRETARY

M Scadina

REGISTERED OFFICE

Cottons Centre
5th Floor
Hays Lane
London
SE1 2QP

BANKERS

HSBC
130 New Street
Birmingham
B2 4JU

SOLICITORS

Faegre Benson Hobson Audley LLP
7 Pilgrim Street
London
EC4V 6LB

AUDITOR

Deloitte LLP
Statutory Auditor
Four Brindleyplace
Birmingham
B1 2HZ
United Kingdom

STRATEGIC REPORT

The directors present their strategic report for the year ended 30 September 2018.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES
The company is principally an investment holding company.

The company was transferred as an investment on 12 December 2016 by the parent, Fair Isaac UK Holdings, Inc., a company incorporated in the state of Delaware, United States of America, to Fair Isaac UK Investment Holdings LP, a UK Limited Partnership.

The company has two loans and one of the loans is listed on The International Stock Exchange.

As shown in the company's profit and loss account on page 11, administration expenses have decreased causing an operating loss of £5,000 (2017: £667,000 operating loss), this is due to a reduction in foreign exchange movements. A dividend was received of £13,843,000 (2017: £24,228,000) and as a result the company made a profit after tax of £9,966,000 (2017: £19,727,000). This information is used by the company as its Key Performance Indicators to monitor the business.

The movement in the balance sheet on page 12, arises from a decrease in short-term creditors to £7,000 (2017: £27,000) due to intercompany settlements. Long-term creditors remained the same £108,929,000 (2017: £108,929,000). This has resulted in net assets of £112,272,000 (2017: £111,306,000).

FUTURE DEVELOPMENTS
The directors consider that the company will continue with its principal activities for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES
Due to intercompany balances with overseas affiliates, the company is at risk from foreign exchange fluctuations. All exchange gains and losses are taken to the profit and loss account; however, the foreign exchange risk is managed by hedging exposure, held by the US ultimate parent company, there are no hedging contracts in the name of Fair Isaac UK Group Limited.

Brexit

The main impacts of Brexit would be the foreign currency exposure and this has been mitigated by foreign currency risk management policy, explained above.

Approved by the Board of Directors and signed on behalf of the Board on: 27 June 2019

M Pung
Director

Date:

FAIR ISAAC UK GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual reports and the audited financial statements of Fair Isaac UK Group Limited for the year ended 30 September 2018. The financial results are discussed in the Business Review section of the strategic report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company is exposed to cash flow risk. In order to ensure the company has sufficient funds for its ongoing operations and future activities, the financing and liquidity of the company is monitored and managed by management of the business and in conjunction with the group treasury function. The ultimate parent, Fair Isaac Corporation, provides financial support if needed, to the company.

GOING CONCERN

Intercompany obligations are settled on a quarterly basis, excluding group loans that are long term. On a group consolidated basis, £171.4 million (equivalent to $223 million) of cash was generated during 2018. The ultimate parent company has confirmed that it will continue to support this company for the foreseeable future.

The company is a non-trading, intermediate holding and investment company. The directors of the company have noted that both its US parent undertakings and its own investment operations have considerable financial resources and the trading operations have long-term contracts with customers across different geographic areas and industries. In addition, these trading operations have a high percentage of recurring revenue and generate a substantial amount of both free cash flow, and positive net income each quarter. The group's positive cash flow is expected to continue for the near future, and the directors have ascertained, should they require any group funding it is available. The ultimate parent has provided a signed letter of support. Consequently, the directors believe the operations are well placed to manage business risks successfully despite the current uncertain economic outlook and will continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

DIVIDENDS

The directors paid a final dividend of £9,000,000 (2017: £23,370,000) in the year. No additional dividends were declared or paid up to the date of these financial statements.

DIRECTORS

The directors, all of whom served during the period and subsequently are as follows:
M Scadina
M Pung
D Sanderson
R Deal

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page2 and form part of this report.

OTHER INFORMATION

There were no significant events since the balance sheet date. The company made no political contributions in the period and was not involved in any research and development activities in the period. The company had no branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK. The Company has made no indemnity provisions in the reporting year and since the balance sheet date.

DIRECTORS' REPORT (CONTINUED)

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board by:

M Pung

Director

Date: 27th June 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIR ISAAC UK GROUP LIMITED.

Opinion

In our opinion the financial statements of Fair Isaac UK Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was: • Impairment of investment in subsidiaries
Materiality	The materiality that we used in the current year was £3,368,100. This was determined on the basis of 3% of net assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	Debt restructuring for Fair Isaac UK Group Limited and its subsidiaries has been deemed as no longer a key audit matter as the restructuring was completed during 2017.

Conclusions relating to going concern

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIR ISAAC UK GROUP LIMITED.

We are required by ISAs (UK) to report in respect of the following matters where: • the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or • the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.	**We have nothing to report in respect of these matters.**

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

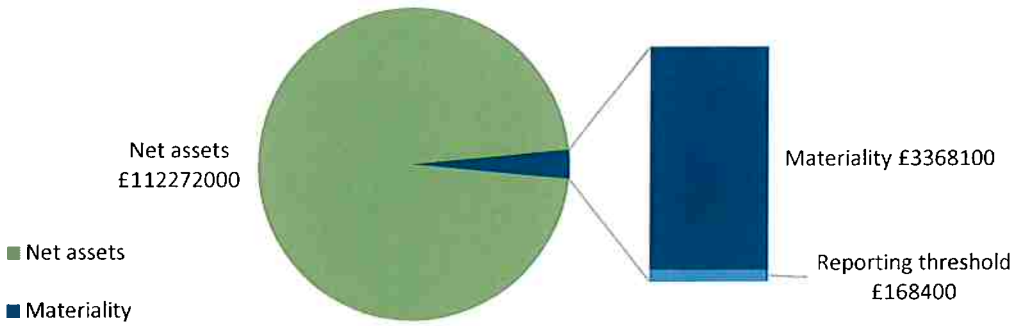
Impairment of investment in subsidiaries	
Key audit matter description	The entity is a non-trading holding company. It holds an investment of £219,065,000 (2017: £219,065,000) in Fair Isaac UK International Holdings Limited and this accounts for 99% (2017:99%) of total assets. The investment in subsidiaries was assessed for impairment indicators at year-end by the directors. The investment balance was compared to the net assets of the investee companies with no shortfalls being noted. Further details are included within note 8 to the financial statements.
How the scope of our audit responded to the key audit matter	• We analysed impairment indicators as required by FRS102 section 27. • We compared the investment balance to the net asset value of the investee.
Key observations	From the work performed, sufficient headroom was noted to satisfy ourselves that the investment balance is not impaired and no impairment indicators were identified. We therefore, satisfied that investment in subsidiaries is valued appropriately.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£3,368,100 (2017: £4,381,000)
Basis for determining materiality	3% of net assets (2017: 2% of investments)
Rationale for the benchmark applied	The net assets is the most relevant balance as it reflects the nature and purpose of the company. In the current year we changed our benchmark to determine materiality from investment to net assets as the company now has external loans which requires which increases the stakeholders focus on net assets.



We agreed with the directors that we would report to them all audit differences in excess of £168,400 (2017:£219,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual

We have nothing to report in respect of these matters.

report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion: • we have not received all the information and explanations we require for our audit; or • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements are not in agreement with the accounting records and returns.	***We have nothing to report in respect of these matters.***

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.	***We have nothing to report in respect of this matter.***

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rebecca Drew

Rebecca Drew, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
Date: 28 June 2019

PROFIT AND LOSS ACCOUNT
For the Year ended 30 September 2018

	Note	2018 £000	2017 £000
Administrative expenses		(5)	(667)
OPERATING LOSS		(5)	(667)
Income from shares in group undertakings	3	13,843	24,228
Interest payable and similar expenses	4	(4,782)	(4,923)
PROFIT BEFORE TAXATION	5	9,056	18,638
Tax on profit	6	910	1,089
PROFIT AFTER TAXATION		9,966	19,727

All activities are derived from continuing operations in the current and preceding year.

There are no recognised gains or losses in the current financial year or in the preceding year other than those disclosed in the profit and loss account. Accordingly, no separate statement of other comprehensive income is presented.

BALANCE SHEET
AS AT 30 September 2018

	Note	2018 £000	2017 £000
FIXED ASSETS			
Investments	8	219,065	219,065
CURRENT ASSETS			
Debtors	9	1,999	1,092
Cash at bank and in hand		144	105
		2,143	1,197
CREDITORS: amounts falling due within one year	10	(7)	(27)
NET CURRENT ASSETS		2,136	1,170
TOTAL ASSETS LESS CURRENT LIABILITIES		221,201	220,235
CREDITORS: amounts falling due after more than one year	11	(108,929)	(108,929)
NET ASSETS		112,272	111,306
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Share premium account		1,360	1,360
Profit and loss account		110,912	109,946
SHAREHOLDERS' FUNDS		112,272	111,306

These financial statements of Fair Isaac UK Group Limited, (registered number 05100620), were approved and authorised for issue by the Board of Directors on: 27th June 2019.

Signed on behalf of the Board of Directors

M Pung

Director

STATEMENT OF CHANGES IN EQUITY
Year ended 30 September 2018

	Note	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
As at 1 October 2016		-	1,360	113,589	114,949
Profit for financial year		-	-	19,727	19,727
Total comprehensive income		-		19,727	19,727
Dividends paid on equity shares	7	-	-	(23,370)	(23,370)
As at 30 September 2017		-	1,360	109,946	111,306
Profit for financial year		-	-	9,966	9,966
Total comprehensive income		-	-	9,966	9,966
Dividends paid on equity shares	7	-	-	(9,000)	(9,000)
As at 30 September 2018		-	1,360	110,912	112,272

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2018

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards and applicable law, including FRS 102 "The financial reporting standard applicable in the UK and The Republic of Ireland". The particular accounting policies adopted are described below.

Going concern

The circumstances, surrounding the directors' assessment of the appropriateness of the going concern assumption is set out in the directors' report. The ultimate parent has provided a signed letter of support. The directors continue to adopt the going concern basis in preparing the financial statements.

General information and basis of accounting

The company is incorporated in United Kingdom under the Companies Act 2016. The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 1.

The company meets the definition of a qualifying entity under FRS 102 and has therefore has taken advantage of the disclosure exemptions available in respect of its separate financial statements, as it is a wholly-owned subsidiary undertaking of Fair Isaac Corporation, a company incorporated in the State of Delaware, United States of America, whose consolidated financial statements include the results of the company and are publicly available as detailed in note 14. Exemptions have been taken in relation to presentation of a cash flow statement, intra-group transactions, and remuneration of key management personnel, financial instruments and share based payments. The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group financial statements

Revenue

The company recognises revenue from shares in group undertakings. Income from dividends is decided by the Ultimate parent company and is recognised when the cash is transferred up through the groups' subsidiaries.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative impact on the estimated cash flows of that asset. All impairment losses are recognised in the profit and loss account.

Finance costs

Interest-bearing loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account.

Taxation

Current taxation is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

In accordance with FRS 102, deferred taxation is recognised in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax, at a future date have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of items of gains and losses in tax assessments in periods different from those in which they are included in financial statements.

1. ACCOUNTING POLICIES (CONTINUED)

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are not discounted.

Foreign currencies

The functional currency of the company is Great British pound sterling. Foreign currency transactions are converted into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling on the balance sheet date. These translation differences are taken to the profit and loss account.

Cash

Cash in hand includes cash and deposits with banks. Bank overdrafts are shown within borrowings in current liabilities.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (held for trading), and loans and receivables. The classification depends on the purpose for which the financial assets were acquired and is determined at point of initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where the maturity is greater than twelve months when they are included in non-current assets, and comprise receivables and cash.

Recognition and measurement

Financial assets held at fair value through profit and loss are initially recognised at fair value. Subsequent changes in fair value are presented in the income statement within interest income or expense in the period in which they arise, unless designated as part of a hedge. Loans and receivables are carried at amortised cost. Financial assets are de-recognised when the rights to receive cash flows have expired.

Financial liabilities

Classification

The Company classifies its financial liabilities as other financial liabilities measured at amortised cost using the Effective Interest Rate (EIR) method.

Recognition and measurement

Bank borrowings are recognised at the amount advanced net of any directly attributable transaction costs. Finance costs calculated in accordance with this policy are recognised in finance costs in the income statement.

1. ACCOUNTING POLICIES (CONTINUED)

Creditors

Obligations to pay for goods and services are recognised initially at fair value and subsequently measured at amortised cost.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following is the critical judgement and there were no material estimation uncertainties key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements in applying accounting policies

Assets other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account. There are no material estimation uncertainties.

2. STAFF COST

The average number of persons employed is calculated on a monthly weighted average of employees (including directors) during the year is as follows:

	2018	2017
	No.	No.
Management	4	4
	4	4

The emoluments of the directors are paid by the company that employs them, being the ultimate parent company or a fellow subsidiary, as their services to Fair Isaac UK Group Limited are incidental to their services provided to other group companies. Accordingly, no emoluments have been disclosed in these financial statements in respect of the directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 September 2018

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2018 £000	2017 £000
Dividend receivable from subsidiary undertakings	13,843	24,228

Dividend of £13,843,047 received from Fair Isaac UK International Holdings Limited (2017: £24,228,175).

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £000	2017 £000
Interest payable to fellow subsidiaries	4,782	4,923

5. PROFIT BEFORE TAXATION

	2018 £000	2017 £000
Profit before taxation is stated after charging the following:		
Foreign exchange loss	(2)	(592)
Management service charge payable	-	(62)

Audit fees of £10,000 (2017: £7,300) for auditing the financial statements, were borne by Fair Isaac Services Limited, a fellow subsidiary undertaking and not recharged. There were no non-audit services in either year.

The directors, who were the only employees of the company, did not receive any remuneration in the current or preceding financial year in respect of their directorships or qualifying services for this company.

6. TAX ON PROFIT

The tax charge comprises:

	2018 £000	2017 £000
Group relief receivable	(910)	(1,089)
Total current tax and tax on results	(910)	(1,089)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 September 2018

6. TAX ON PROFIT (CONTINUED)

The tax assessed for the year is lower (2017: higher) than the standard rate of corporation tax in the United Kingdom at 19% (2017: 19.5%). The differences are explained below.

	2018 £000	2017 £000
Profit before taxation	9,056	18,638
Tax on profit at standard UK corporation rate of 19% (2017: 19.5%)	1,720	3,634
Effects of:		
Expenses not deductible for tax purposes	-	1
Non-taxable income received	(2,630)	(4,724)
Total current tax charge	(910)	(1,089)

Factors affecting future tax charge

The Finance Act 2016 was enacted on 6 September 2016 and provided for a reduction in the main rate of corporation tax rate from 20% to 17% effective 1 April 2020. This rate has therefore been used to measure deferred tax assets and liabilities as at 30 September 2018.

The average corporation tax rate in the year to 30 September 2018 was 19%.

7. DIVIDENDS PAYABLE

	2018 £000	2017 £000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 30 September 2018 of £3,000,000 (2017: £7,790,000) per ordinary share	9,000	23,370

8. FIXED ASSET INVESTMENTS

	2018 £000	2017 £000
Subsidiary undertakings	219,065	219,065

Investments at 30 September 2018 consisted of direct 100% investment holding in the following company:

Name of entities	Country of registration or incorporation	% of ordinary share capital and voting rights held	Nature of business
Fair Isaac UK International Holdings Limited	England and Wales	100%	Holding Investment

Registered address: Cottons Centre, 5th Floor, Hays Lane, London SE1 2QP, United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 September 2018

8. FIXED ASSET INVESTMENTS (CONTINUED)

There were no movements in investments held as fixed assets during the year:

	Investments in subsidiary undertakings £000
Cost	
At 1 October 2017	220,874
At 30 September 2018	220,874
Provision for impairment	
At 1 October 2017 and 30 September 2018	1,809
Net Book Value	
At 30 September 2018	219,065
At 30 September 2017	219,065

9. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Amounts due from fellow subsidiary undertakings	1,089	3
Corporate tax	910	1,089
	1,999	1,092

Amounts owed from fellow subsidiary undertakings are non-interest bearing and repayable on demand.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Amount owed to parent undertaking	3	23
Amount owed to group undertakings	4	4
	7	27

This is non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 September 2018

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2018	2017
	£000	£000
Amount owed to parent undertaking	1,000	1,000
Listed debt	107,929	107,929

There are two 10-year loan notes with an interest rate of 4.38% redeemable in 2026, one of £107,928,744 and one of £1,000,000 redeemable in full in 2026. The £107,928,744 is listed on The International Stock Exchange. (2017: £107,928,744).

12. CALLED UP SHARE CAPITAL

	2018 £000	2017 £000
Authorised		
150,000,000 ordinary shares of £1 each	150,000	150,000
Allotted, called up and fully paid		
3 ordinary shares of £1 each (2017: 3 ordinary shares of £1 each)	-	-

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted within FRS 102, which does not require the disclosure of transactions between two or more members of a group, provided that all subsidiaries, which are party to the transaction, are wholly owned by the group.

14. PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The immediate parent company is Fair Isaac UK Investment Holdings LP, a UK Limited Partnership. Fair Isaac Corporation, a company incorporated in the state of Delaware, United States of America, with principal executive offices at 181 Metro Drive, San Jose, CA 95110 and listed on the New York Stock Exchange, is the company's ultimate parent company and ultimate controlling party at the balance sheet date and the smallest and largest entity preparing consolidated financial statements, which includes the results of Fair Isaac UK Group Limited. The registered address of Fair Isaac Corporation is 251 Little Falls Drive, Wilmington, Delaware 19808.

Copies of the financial statements of Fair Isaac Corporation are available from Cottons Centre, 5th Floor, Hays Lane, London, SE1 2QP and on the website www.fico.com.